



Mobile Payments: Trends and Innovation

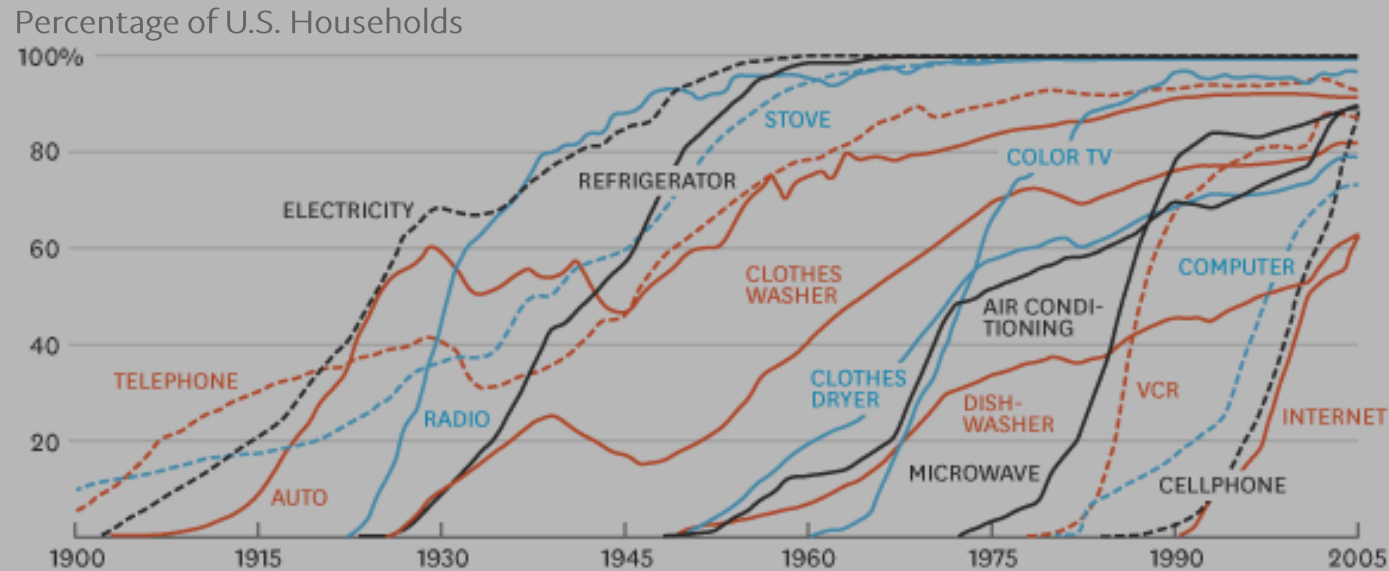
Eduardo Righi • May 10th, 2017

And there was the “Big Bang”....



Speed of new technology adoption sky-rocketed...

Adoption of new technologies



Source: Michael Felton, the New York Times, HBR.org

To Reach 40% adoption

Telephone – 30 years
Auto – 25 years
Electricity – 20 years
Computer – 15 years
Color TV – 12 years
Cellphone – 12 years
Radio – 8 years
Internet – 7 years



Pokemon Go reached **100 Million of users** in less than a month after his first launch in 2016, July 6th

Now the world is already connected...

1,2Bi

Mobile Users
Worldwide

25%

Internet mobile
access only

2,0Bi

Smartphones & tables
shipped by 2017

50Bi

Of connected devices
by 2020

268Bi

Apps downloads by
2017

38Bi

2016's USD spent on
proximity payments

US\$106B

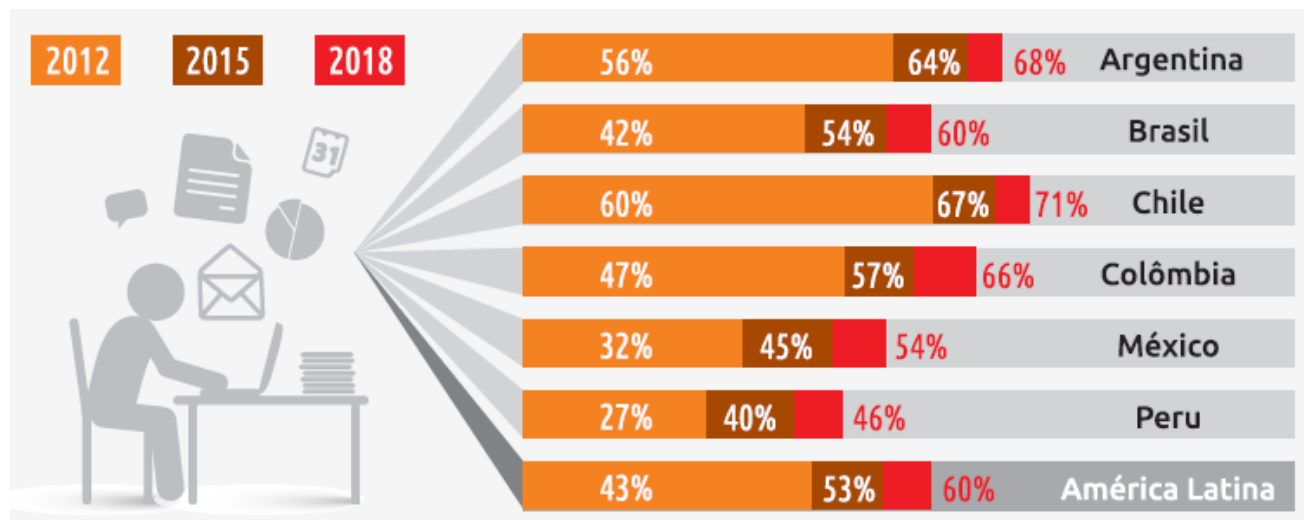
LATAM e-commerce projected market in 2018

Sources: aMarketer, Comscore – Morgan Stanley research, IDC, Gartner, Cisco & Ericsson





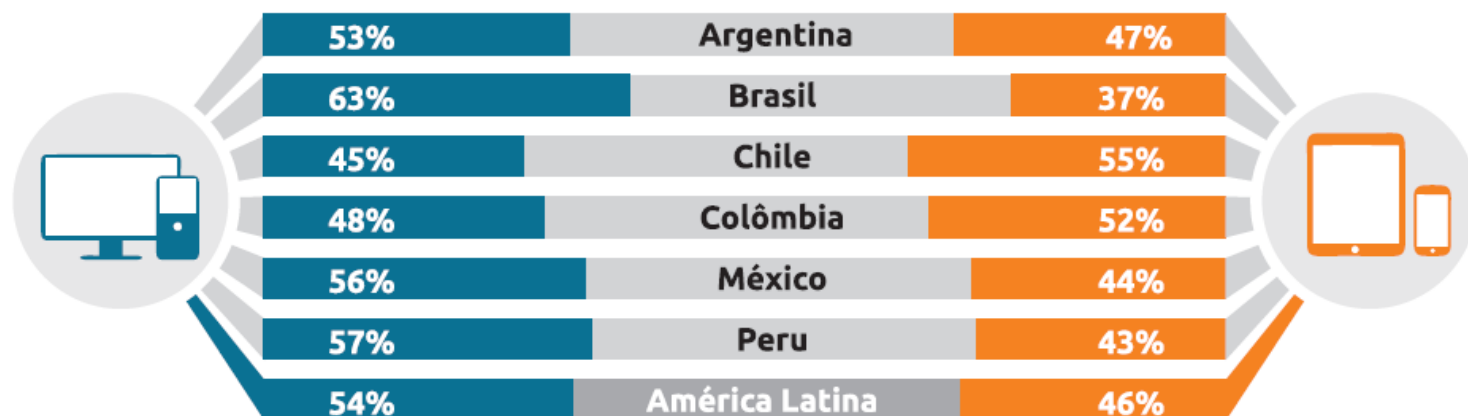
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And in Latin America, how are we doing?



53% of Latinos have access to the Internet, out of which, **46%** prefer doing it using mobile devices

 **7/10** prefer mobile
 **8/10** prefer mobile



Source: IDC/PayPal 2016

Mobile is changing people's habits too...



In Japan **90% of cell phones** are water proof as people use them even in the shower (Forbers Research, 2014)

91% of consumers keep their device within arm's reach **100% of the time** (Morgan Stanley Research)



There are 6.8 billion people on the planet. 5.1 billion of them own a cell phone, but **only 4.2 billion own a toothbrush** (Mobile Marketing Association Asia)

The average person unlocks his or her smartphone **110 times each day** (Locket Research).



100,000 mobile phones are dropped down the toilet in Britain every year (J.Lloyd, J. Mitchinson & J. Karkin)

Importance of smartphones on this change

LATAM 2015

190 million smartphone
users in Latin America -
34% of total population

(source: statista)



Aproximately
90% of mobile phone sales
are smartphones

Clear trend for
total migration
of customer base to smartphones

Digital Payments

\$2,2 Tri USD



Digital Commerce

93%



Mobile Payments

5%

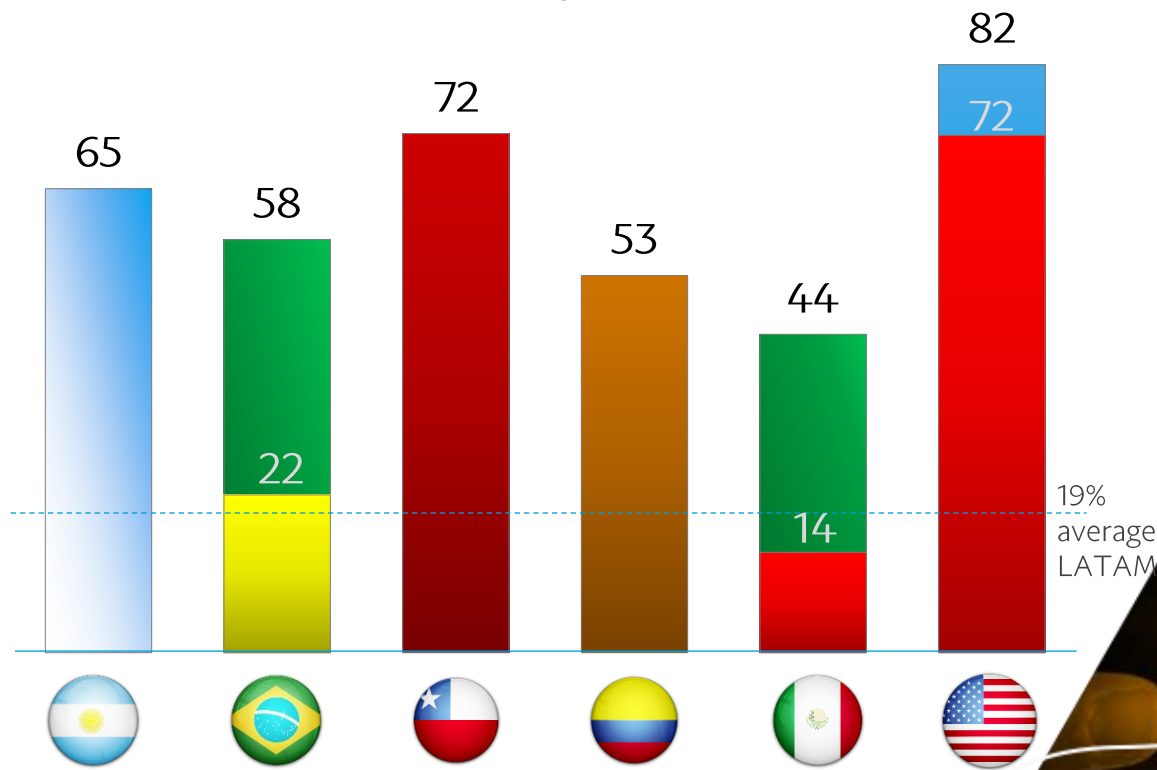


P2P Payments

2%

There is yet a **BIG** growth opportunity in LATAM

Internet Penetration & Online Buyers
(% of Population)





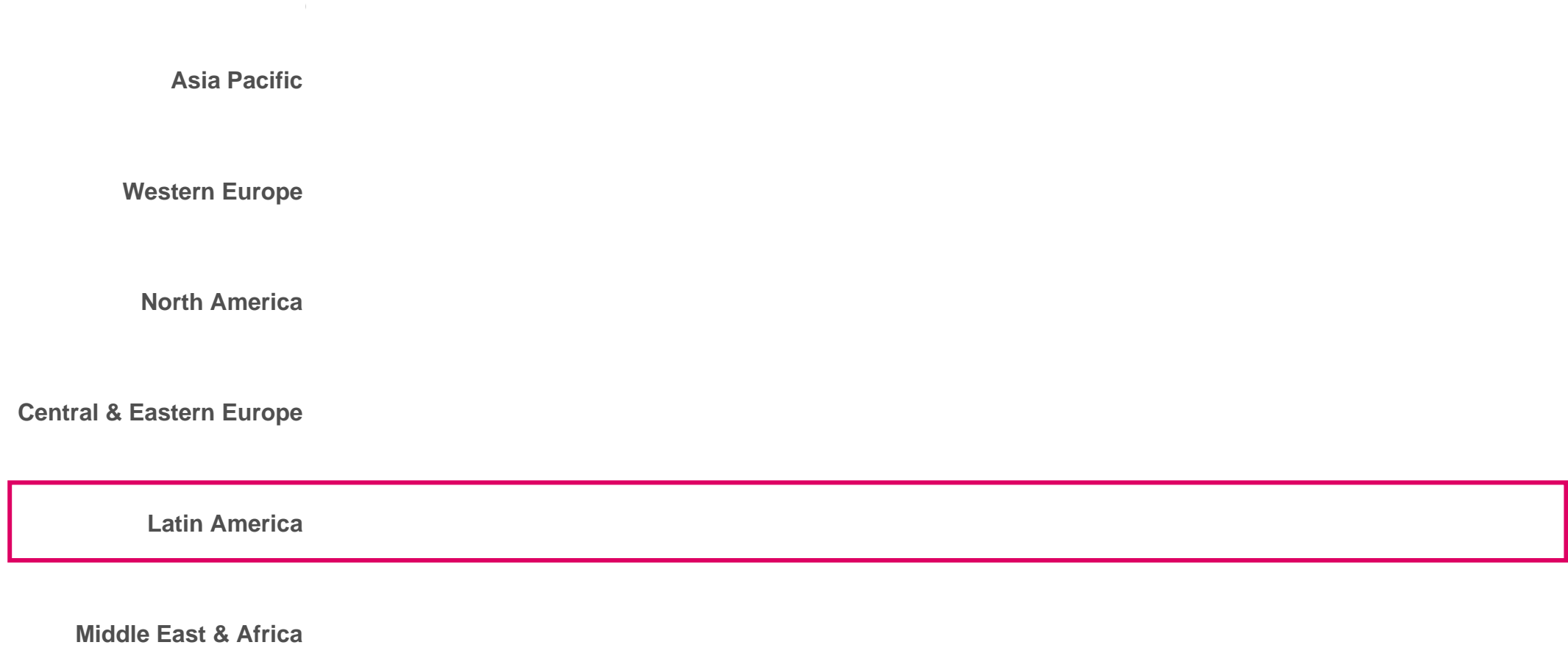
19.6% Online buyers were
born after 1980



28% Make **Mobile**
transactions

Globally
Millennials
are already more and more
significant share of buyers

E-commerce share of total global retail sales in 2016, by region



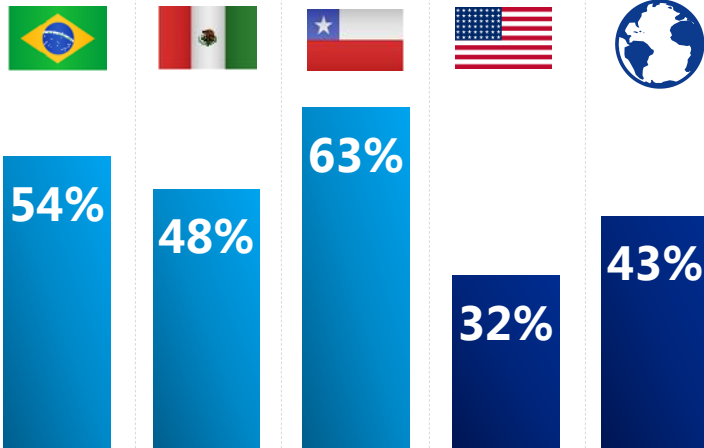
Source: eMarketer



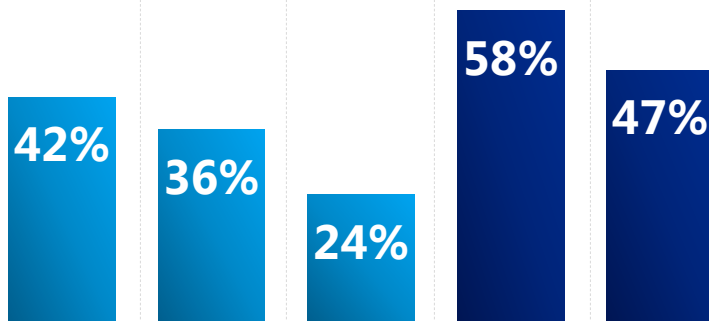
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The Key-Factor for online purchases is still price

I buy online because **is cheaper**



I buy online because **is convenient**



It is not about playing differently – It is about a different game!

– Book: Changing Role of CMO, Vivaldi Partners Group, 2014

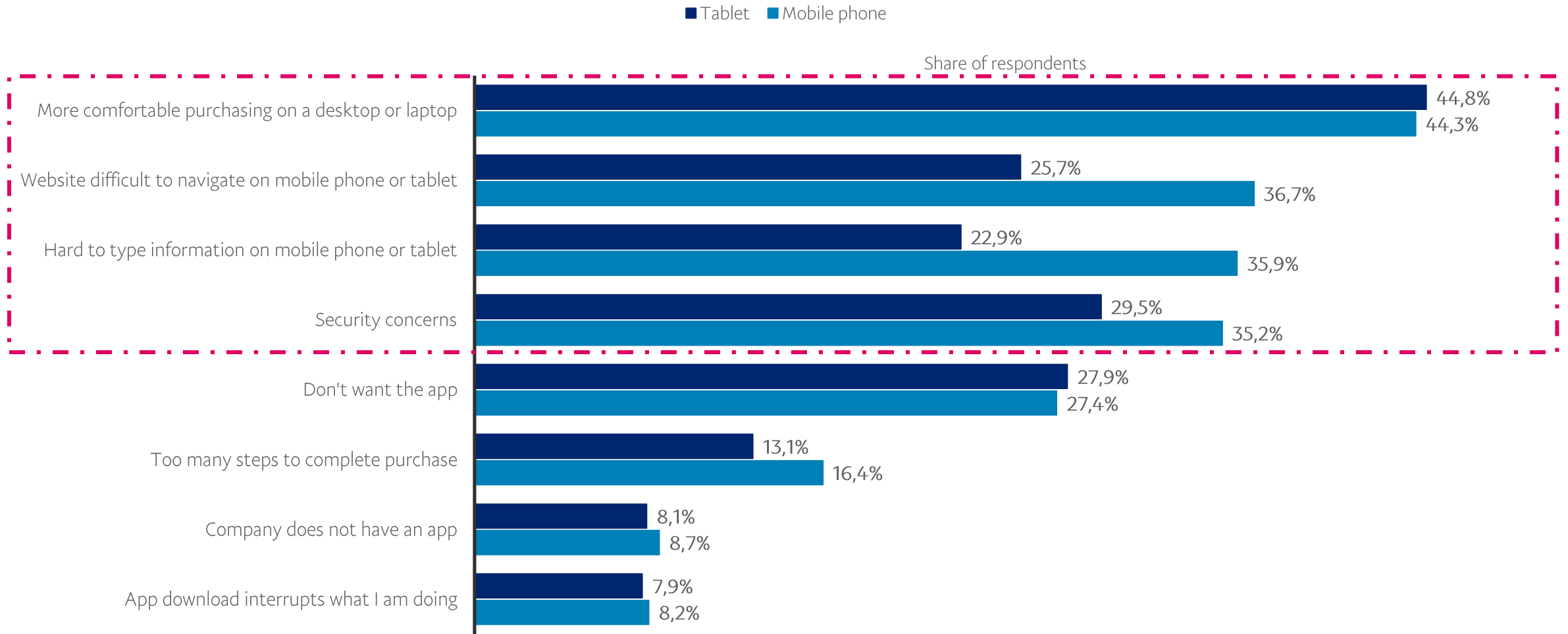
Innovating Companies
are considering mobile



as a center element of
its strategy

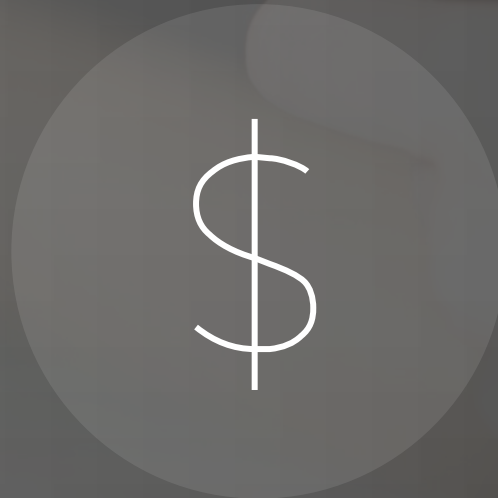
Why people does not buy on mobile?

Reasons for consumers in the United States to not use their mobile device for shopping as of August 2016, by device





Convenience



Cost



Security

Trends & Innovations

Biometric Authentication

Seamless integration



Biometric Authentication



Fingerprints



Iris Scanning



**Face
recognition**

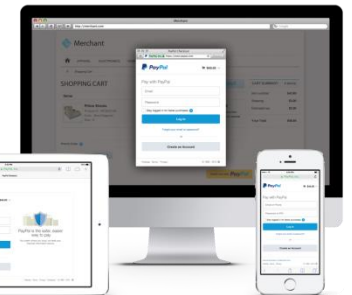


**Voice
recognition**



**Behavioural
biometrics**

Seamless Integrations



Bots
for Messenger



PayPal One Touch: global innovation expansion

- Most rapidly adopted product PayPal has ever rolled out
- **40 million** consumers have now opted-in globally
 - Available in **ALL** markets PayPal operates in

143
merchant global
marketplace
availability

50%+
of the US
Internet Retailer
500

Millions
of transactions
being processed
daily



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Aug 2014

Launched One Touch with Braintree for mobile apps

One Touch

Helping PayPal Lead Digital Payments into the Future

Apr 2015

Launched One Touch with PayPal on web and mobile in the US

Jun 2015

Expanded One Touch with PayPal to the US and Canada

Aug 2015

One Touch is used by millions and available in 16 countries

Nov 2015

Expanded One Touch with PayPal to China and Hong Kong

Dec 2015

Over 10 million consumers use One Touch in 23 markets

Feb 2015

Added 100 markets for merchants in one day

Today

Over 40 million consumers use One Touch in 200+ markets, adding 59 markets to the last month

MILLIONS

of One Touch
transactions
per month

40M+
CONSUMERS

opted-in to use
One Touch in the
last year

200+
Consumer
markets
worldwide

143
merchant
markets
worldwide

**OVER
50%**
IR500

of Internet Retailer 500
merchants have
One Touch enabled

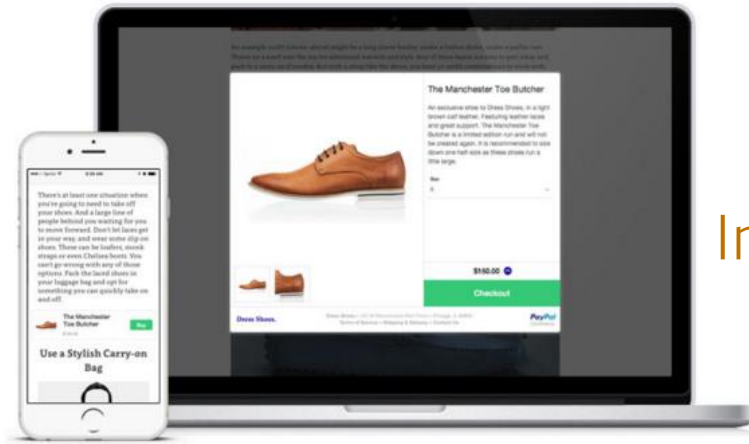
87.5%
online
conversion
rate

One-Touch™ Experience

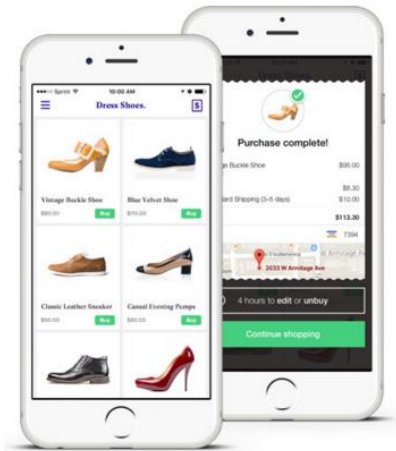


Contextual Commerce - “Buy Buttons”

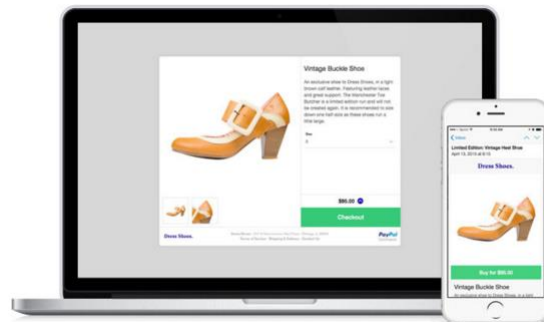
PayPal Commerce



In your blog



In your App



In your Inbox

Arm your content to sell

Online checkout innovation

Global Impact

30% PayPal's Merchant Services Business vs. eCommerce Growth*

87.5% PayPal's Online Checkout Conversion**

36% Higher Than Competing Wallets

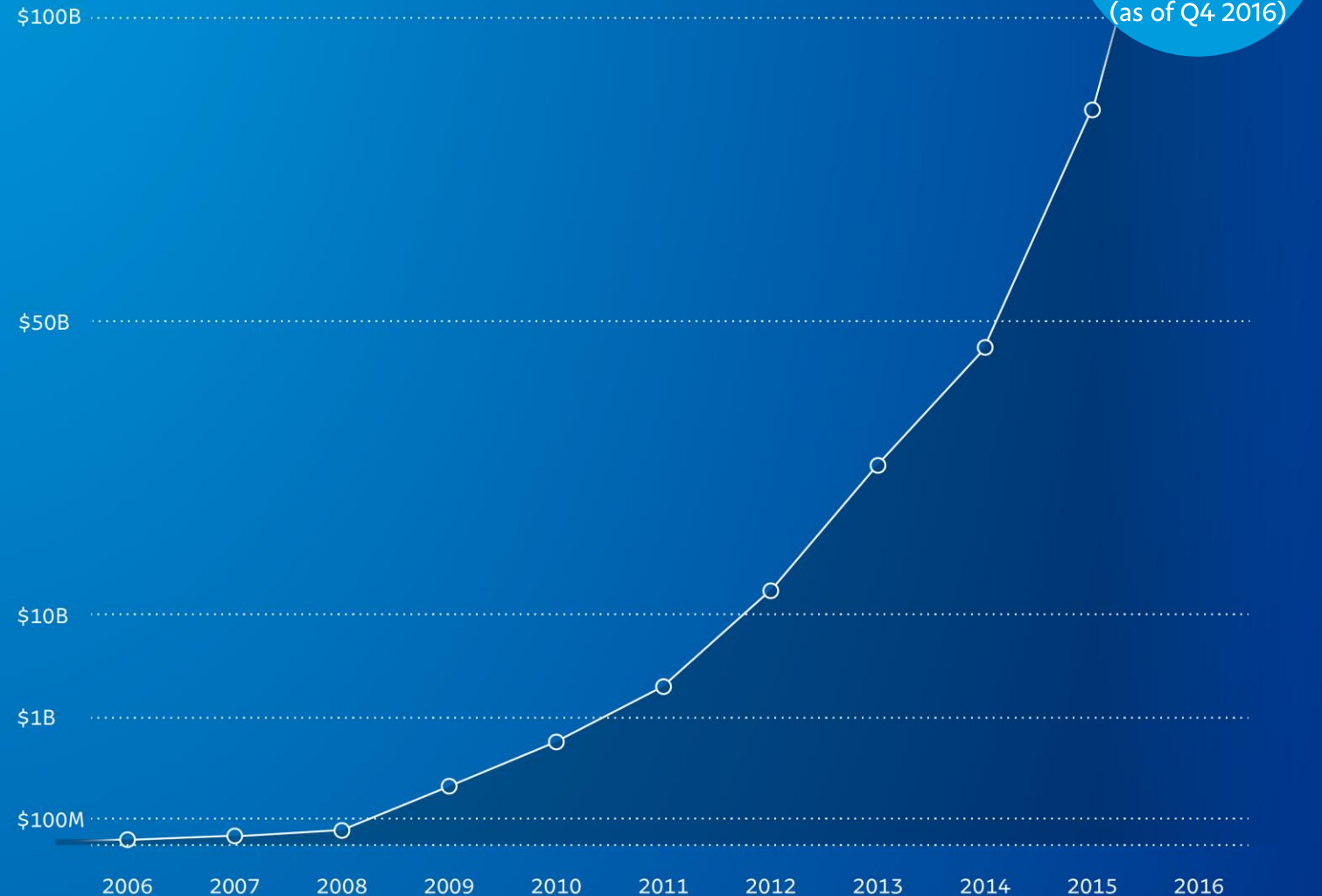
42% Higher than Standard Checkout Options**

* as of Q4 2016

** ComScore, Online Payment Type: Conversion Analysis, April 2016

Mobile Money at PayPal

10 Years Strong and Growing



America Móvil and PayPal together offering a secure and convenient mobile wallet for online shopping.



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Shell



“Mobile payments will change the face of commerce and drive financial health for billions of people across the world.”

— Dan Shulman, President & CEO of PayPal



Eduardo Righi
Director Payment Products & Engineering - LATAM
erighi@paypal.com